



STAFF REPORT

Board Report for January 16, 2024

STAFF CONTACT: Niki Holoday, Administrative & Financial Services Director

AGENDA TITLE: Re-Investing with Time Value Investments

AGENDA ACTION: Discussion and Possible Action

RECOMMENDATION:

- In accordance with the District Investment Policy, Lexipol Policy 215, staff recommends that the Board authorizes the re-investment of up to \$2 million into a 6-month Treasury Bill with a current yield of approximately 5.05% .
- Authorize Chief McKechnie and Finance Director Niki Holoday to re-invest funds on the District's behalf.

BACKGROUND:

In January 2023, upon approval from the Board, the District invested \$2 million in a 6-month Treasury Bill that earned an interest rate of 4.7% and \$46k in interest revenue.

In July 2023 the BOD approved the reinvestment of those funds (\$2,046m) into a combination of a 5-month Treasury Bill at 5.3% and a 1-year Certificate of Deposit at 5.25%.

The 5-month Treasury Bill has reached maturity on 12/27/23, earning \$23k and the funds have been moved into our interest-bearing safekeeping account at Bank of New York Pershing, which is the country's largest custodian and free to the District.

A 6-month Treasury Bill reinvestment is currently yielding 5.05% and we expect to earn \$27k.

B 07/11/24 Govt		1 Send (VCON)		97 Settings		Ticket	
01/10/2024 11:14:26 Trade Date 01/10/24 11:14:26							
Trade Information							
Trader		HARRISON STENBERG					
At		TVI				CUSIP 912797GB7	
						NYSE SYMB N.A.	
BUY		1110 M		of B 07/11/24		Issuer TREASURY BILL	
						Dated 07/13/23	
Discount		4.84553201		or Yield		5.050000	
Price		97.550314		<input checked="" type="checkbox"/> Round			
Settlement		01/11/24		(T+1 for calendar 'US')			
Ratings S&P N.A. Moody's N.A. Fitch F1+u							
Notes							
Trade Numbers							
Total Cost		USD		1,082,808.49			

As a fiscally responsible agency, we maintain appropriate liquidity for our daily operational needs, operational reserves, and ongoing budgetary funding for future capital improvements, currently totaling \$3.1m. These funds are generally held in the Local Agency Investment Fund (LAIF) and we receive interest revenue on those funds each quarter.

At the end of investment terms staff will evaluate additional reinvestment opportunities and provide that information to the Board for consideration and approval.

ALTERNATIVES:

- Do not re-invest, keeping all funds in the LAIF account.

FISCAL IMPACT:

- The District would realize approximately \$27k in additional interest revenue.